

Maine Revised Statutes
Title 18-A: PROBATE CODE
Article :

§7-764. TRANSFERS FROM INCOME TO REIMBURSE PRINCIPAL

(a). If a trustee makes or expects to make a principal disbursement described in this section, the trustee may transfer an appropriate amount from income to principal in one or more accounting periods to reimburse principal or to provide a reserve for future principal disbursements.

[2001, c. 544, §2 (NEW) .]

(b). Principal disbursements to which subsection (a) applies include the following, but only to the extent that the trustee has not been and does not expect to be reimbursed by a 3rd party:

(1). An amount chargeable to income but paid from principal because it is unusually large, including extraordinary repairs; [2001, c. 544, §2 (NEW) .]

(2). A capital improvement to a principal asset, whether in the form of changes to an existing asset or the construction of a new asset, including special assessments; [2001, c. 544, §2 (NEW) .]

(3). Disbursements made to prepare property for rental, including tenant allowances, leasehold improvements and broker's commissions; [2001, c. 544, §2 (NEW) .]

(4). Periodic payments on an obligation secured by a principal asset to the extent that the amount transferred from income to principal for depreciation is less than the periodic payments; and [2001, c. 544, §2 (NEW) .]

(5). Disbursements described in section 7-762, subsection (a), paragraph (7). [2001, c. 544, §2 (NEW) .]

[2001, c. 544, §2 (NEW) .]

(c). If the asset whose ownership gives rise to the disbursements becomes subject to a successive income interest after an income interest ends, a trustee may continue to transfer amounts from income to principal as provided in subsection (a).

[2001, c. 544, §2 (NEW) .]

SECTION HISTORY

2001, c. 544, §2 (NEW) .

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